

UNCLASSIFIED

8 JUN 1988

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING  
Financial Aspects of Retirement AdministrationI. Purpose

The purpose of this supplemental memorandum is to summarize the understandings between the Office of Personnel Management and the Central Intelligence Agency with respect to financial aspects of CIA administration of retirement matters under the provisions of the Federal Employees' Retirement Act of 1986, as amended. This Memorandum supplements the Basic Memorandum of Understanding, dated February 18, 1988, and is to be considered one of the supplemental memoranda cited in paragraph IV 3 thereof. ☐

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II. Specific Responsibilities/Procedures (Keyed to the Applicable Subparagraphs of 5 U.S.C. 8347 and 8461)

## a. 5 U.S.C. 8347(n) (1) (B) and 8461(j) (1) (B)

The CIA will establish and maintain financial accountability over all retirement deductions, prior service deposits, and redeposits associated with the service of employees for whom retirement benefits are to be determined by the CIA. This will include records and funds relating to service with other agencies, transferred by OPM to the CIA in anticipation of retirement from the CIA. The transfer of records and funds will be in a manner necessary to protect the identities of CIA employees and in a format agreeable to OPM and CIA. ☐

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## b. 5 U.S.C. 8347(n) (1) (D) and 8461(j) (1) (D)

The CIA will compute and collect deposits or redeposits for eligible prior military and civilian service in accordance with OPM guidelines. Such deposits and redeposits will be remitted to OPM periodically in summary in a format agreeable to OPM and CIA. ☐

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## c. 5 U.S.C. 8347(n) (1) (E) and 8461(j) (1) (E)

The CIA will adjudicate and make disbursements for all categories of entitlements for the functions assumed and considered appropriate by the Director of Central Intelligence. Disbursements will be financed with CIA funds with prompt reimbursements to be provided by the Office of Personnel Management (via the OPAC mechanism when it is established by the Agency) from the Civil Service Retirement and Disability Fund. All such disbursements will be subject to the same approval, certification, and control mechanisms as are used by the CIA for disbursement of the funds of any other Government agency for which the CIA becomes accountable. All claims for reimbursement will be documented in summary for each detail category for which OPM records disbursements from the Fund. The documentation for such claims will be in a format agreeable to OPM and in a manner necessary to protect the identities of CIA employees. ☐

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d. 5 U.S.C. 8347(n) (1) (F) and 8461(j) (1) (F)

(1) The CIA will use an OPM-provided Employee Identification Number for required or appropriate reporting of taxable payments and Federal and state income tax withholdings to the Internal Revenue Service and state of residence. The use of this number applies to covert annuitants for entitlements paid by the CIA which are chargeable to the Fund. The CIA will obtain an Employee Identification Number for reporting taxable payments and Federal and State income tax withholdings for all overt annuitants for entitlements paid by CIA which are chargeable to the Fund. In the case of overt employees, the CIA will be responsible for providing answers directly to the IRS and/or annuitants in response to correspondence on such reporting, subject to Privacy Act, other applicable legal limitations, and security considerations. ☐

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(2) The CIA will establish appropriate post office box addresses, which will be provided to CIA annuitants paid under the above EIN, for use in verifying annuity payments for credit or other purposes, as required. Should any inquiries be received directly by OPM for an individual who is identified as being administered by the CIA, OPM will forward the inquiry to the CIA for response. ☐

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(3) The CIA, consistent with the standards set forth in 5 U.S.C. 8346(b) or 8470(b), as applicable, will determine whether to waive recovery of erroneous payments CIA makes which have been charged or will be charged to the Fund. ☐

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e. 5 U.S.C. 8347(n) (3) (B) and 8461(m) (2)

In a manner consistent with the DCI's responsibility to protect intelligence identities, intelligence sources, methods and activities, intelligence data, and CIA personnel, organizational and functional information from unauthorized disclosure, the CIA will make its records of disbursements chargeable to the Fund available for audit and inspection by OPM personnel who have appropriate program responsibilities and security clearances. A separate MOU dealing with these audits will be prepared. ☐

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Approved for the Office of Personnel Management this \_\_\_\_ day of \_\_\_\_ 1988.

\_\_\_\_\_, Office of Personnel Management

Approved for the Central Intelligence Agency this \_\_\_\_ day of \_\_\_\_ 1988.

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Director of Personnel, Central Intelligence Agency

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